

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Bureau of Air Quality
Clean Air Interstate Rule (CAIR)/Clean Air Mercury Rule (CAMR)

Stakeholder Meeting Notes
October 10, 2005

Attendees:

See attached table.

Introductions and Opening Comments:

Staff reviewed the CAIR timeline, the three CAIR cap and trade programs (NO_x annual, NO_x ozone seasonal, and SO₂ annual) and South Carolina's budget for each. Also, the CAMR timeline and the CAMR cap and trade program were reviewed. Both CAIR and CAMR will be addressed in the stakeholder meetings, but they would be discussed separately. The EPA's model rule language for CAIR and CAMR was presented as a basis for discussion. Areas where the State has flexibility were discussed.

Overview of the Clean Air Interstate Rule

The main areas of flexibility for CAIR are with respect to the allocation of the NO_x ozone season and NO_x annual budgets. Handouts of the regulatory text were provided to the meeting attendees. Also, a handout with the areas of the rule where the State has flexibility was reviewed and discussed.

General Discussion of the Clean Air Interstate Rule

The following is a synopsis of the proceedings:

1. Timing of NO_x Allocations: One commenter suggested shortening the timing of NO_x allocations to as little as every three years. The commenter explained that this adjustment would allow new sources to enter into the regular budget program earlier and should still give facilities adequate time to plan.
2. Calculating the NO_x Allowance Allocation Baseline: One commenter suggested that the baseline be updated periodically. The commenter suggested an interval of every three years, explaining that situations/conditions change with a facility over time.
3. Fuel-neutral Allocation System: One commenter supported a fuel-neutral allocation system. The commenter explained that vintage differentiation is a perpetuation of an outdated system, and that all utilities, regardless of the type of fuel used, should be treated equally. The commenter further explained that this would level the playing field (i.e. treating coal, oil, and natural gas the same regarding allocations) and would be better for the environment and the economy.
4. NO_x New Source Set-Aside: No significant comments from the group on this issue.
5. Other topics: Discussion of non-EGUs – how will they be handled regarding allocation of NO_x allowances? Still some unanswered questions regarding this issue. The Department is continuing to look into the options for this.

Overview of the Clean Air Mercury Rule

Staff began with a discussion of the timeline for CAMR and our State's budgets, followed by a discussion of the CAMR cap and trade program. South Carolina intends to participate in this program also.

General Discussion of the Clean Air Mercury Rule

The following is a synopsis of the proceedings:

1. CAMR Public Health Set-Aside: Staff presented the possibility of the State implementing a Public Health Set-Aside whereby 20% of the 2010 Hg budget was set-aside and retired. The rationale behind this suggestion was presented and included the issue that our State's 2010-2017 Hg budget is greater than the calculated Hg emissions from the State's coal-fired utilities, based on EPA's 1999 emissions data.
2. Reliability of Data: A discussion addressing the source of the information regarding the 1999 emissions and the reliability of the information followed. One member commented that the 2003 Toxic Release Inventory (TRI) data indicated that current Hg emissions are about one-half of the 2010 budget and suggested that the State's budget should be set at the current emissions level. Industry also expressed concerns regarding the reliability and accuracy of the monitoring devices and control technology.

Comments for the Next Meeting are Due:

Stakeholders agreed to submit comments on the areas of flexibility in the CAIR and CAMR by **October 24, 2005**. Staff will review these comments and prepare for discussion during the next meeting.

Next Meeting:

November 4, 2005 at 10:00 am in the Board Room (3420 Aycock Building).

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